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Request you at earliest opportunity impress upon Chancellor personally importance we attach to satisfactory German response our repeated protests about German import restrictions on American coal. Thoroughly aroused, highly articulate and powerful opposition of American coal and related industries and labor unions to German actions threatens to spread to other areas of our relations with Germany as well as to challenge certain basic principles our foreign economic policy. American coal industry urging U.S. Govt. take "reciprocal" action by levying prohibitive tariffs in arbitrary manner on German exports to U.S. Industry reps said it prepared to seek amendments in Mutual Security Act and other legislation designed to deny to Germany any procurement with U.S. funds. Coal industry could obtain support for such legislation from certain other domestic economic groups.

We urge 60-day suspension in implementation German coal restrictions during which period interested parties, particularly American and German coal industry representatives, could negotiate mutually satisfactory arrangements

Drafted by: WMBray:
EUR:GER:GEA:WMBray:rm 1-31-59

Telegraphic transmission and classification approved by: EUR - Mr. Kohler

Clearances:
W - Mr. Dillon (in substance)
E - Mr. Beale (in draft)
H - Miss Kirlin (in substance)
CFT - Mr. Brown (in substance)
GER - Mr. Millenbrand

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arrangements for continued American coal exports Germany. Even though Americans would be negotiating under shadow of German legislative sanctions, it important German coal industry group which recently visited U.S. be given opportunity to complete its negotiations with American industry.

Beits called on me January 30 and suggested Gutermuth of German Miners Union visit U.S. coal mining areas, obtain first hand knowledge of how similar problems have been dealt with in U.S. and also discuss matters with John L. Lewis and other union officials. You might ascertain whether it likely Gutermuth would agree visit U.S. and whether this suggestion of Beits would be helpful in reaching amicable settlement coal problem.

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